



California Regional Water Quality Control Board

Santa Ana Region



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AES

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Environmental
Protection

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June 26, 2003

Mr. Fred Seminara
ETI Explosives Technologies International Inc.
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Plymouth, CA 95669

Mr. Fred Seminara
American West Explosives, Inc.
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Plymouth, CA 95669

DIRECTIVE TO CONDUCT A RECORDS INVESTIGATION AND SUBMIT A REPORT CONCERNING PERCHLORATE DISCHARGES IN THE RIALTO, COLTON AND CHINO GROUNDWATER BASINS, SAN BERNARDINO COUNTY, CALIFORNIA

Dear Mr. Seminara:

Perchlorate has been detected in municipal water supply wells in the Rialto, Colton and Chino Groundwater Subbasins in Southern California. These water supply wells are located downgradient of the former ETI Explosives Technologies International, Inc. facility in North Rialto. ETI Explosives Technologies International, Inc. and American West Explosives, and their subsidiaries and predecessors, including but not limited to King Explosives, Inc., ETI Explosives Technologies International Inc. of California, and Golden State Explosives Inc. (hereafter, referred collectively as "ETI") manufactured and distributed explosive materials, which are likely to have contained perchlorate.

As described below, ETI is a suspected discharger of perchlorate. This letter sets forth a requirement under California Water Code Section 13267 that ETI conduct an investigation of its records of historical operations at the Rialto site. As required by that provision, this letter contains an explanation of the need for the investigation, and cites evidence supporting the requirement.

Background

Perchlorate contamination was first detected in groundwater in the Rialto, Colton and Chino Groundwater Subbasins in 1997. At that time, the California Department of Health Services (DHS) Action Level (AL) for perchlorate in drinking water was 18 parts

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down. In January 2002, the DHS lowered the AL to 4 ppb. In response to the reduced AL for perchlorate, the local water purveyors in the Rialto, Colton and Chino Groundwater Subbasins restricted or eliminated the use of additional production wells with perchlorate concentrations that exceeded 4 ppb (Enclosure 1). Between 1997 and the present, various suspected perchlorate dischargers, including ETI, have been identified.

Requirement for an Investigation

The Regional Board has directed staff to issue individual letters under California Water Code Section 13267 to suspected perchlorate dischargers. The Board also expressed a strong desire that suspected perchlorate dischargers work with the local water purveyors to provide a supply of replacement water during the loss or limited use of their production wells.

The Need for the Investigation

The Santa Ana Regional Water Quality Control Board is charged with the protection of water quality in this Region. We have been working actively with the water purveyors for several years to identify the extent and address the impact of perchlorate contamination on water resources in the Rialto, Colton and Chino Groundwater Subbasins. The water purveyors whose wells have been contaminated with perchlorate now face a state of emergency, and may not be able to provide an adequate water supply to their customers. It is urgent that the sources of the contamination be identified, and the magnitude of the perchlorate plume defined.

Evidence Supporting the Need for the Investigation and Report

ETI has operated in Rialto, California and possibly in Fontana. ETI operated under several names, beginning around the mid-1980's as King Explosives, Inc. and dating back to before 1970 as Margraf Explosives, Inc (Enclosures 2, 3 and 4). In 1988, ETI purchased King Explosives, Inc. Thereafter, ETI also operated in Rialto as ETI King Explosives, Inc., ETI Explosives Technology International of California Incorporated, and Golden State Explosives, Inc. (Enclosures 4 and 5). ETI manufactured and distributed explosives at multiple locations in the Rialto area, including at 2900 N. Tamino Avenue and in the vicinity of Alder and Stonehurst Avenue (Enclosures 3 and 6). ETI also utilized an explosive storage bunker in the vicinity (Enclosure 7). In addition, ETI has used a mailing address of PO Box 697 in Fontana, California (Enclosure 2).

Perchlorate is used in explosives and pyrotechnics. Records indicate that perchlorate and perchlorate containing materials were burned, detonated and otherwise disposed of at ETI. Other sites involved with the manufacture of explosives and the testing, burning and disposal of perchlorate-containing materials and wastes have had documented perchlorate discharges and contamination (e.g., www.geotracker.swrcb.ca.gov/perchlorate). An



investigation by the County of San Bernardino in the vicinity of ETI's former Rialto operations has revealed perchlorate contamination in the groundwater.

Based on the evidence, ETI is suspected of having discharged perchlorate waste that has adversely affected water quality. This evidence supports the requirement for an investigation, as defined in Section 13267(b)(1) of the California Water Code.

Deadlines

By July 31, 2003, a report containing the following information shall be submitted to the Regional Board staff:

1. A detailed description of ETI's past and present operations in the Rialto, Colton and Chino Groundwater Subbasins, including but not limited to, whether and when it used or handled perchlorate or materials containing perchlorate and the approximate quantities of such materials; the operations, processes and activities involving perchlorate and perchlorate-containing materials, including testing and waste disposal practices; whether materials, off-spec or defective materials, or other wastes were burned or buried; any known or suspected discharges of perchlorate; any accidents, explosions or fires that may have occurred; and any other information that would be helpful in determining whether a discharge of perchlorate occurred from ETI's operations.
2. A detailed description of ETI's relationship with Margraf Explosives, Inc. If ETI has any relation to Margraf Explosives, Margraf Explosives must be addressed in your response to Request No. 1.
3. Any documents pertaining to and/or describing ETI's and Margraf's operations in Rialto, Colton and Chino Groundwater Subbasins, including but not limited to maps, plans, diagrams and photographs of the facility and its operations, records pertaining to perchlorate and perchlorate-containing materials, waste disposal records, operating procedures, environmental investigation and remediation reports, and employee lists.

Failure to submit the required Information by the specified deadline will subject you to administrative civil liability in the amount of up to \$1,000 per day pursuant to Section 13268(a) and (b) of the California Water Code.

Finally, please be aware that the Board has directed staff to explore alternative ways of solving the water supply problem in the Rialto, Colton and Chino Groundwater Subbasins. In addition, consistent with the Board's direction, we have issued and will continue to issue similar directives to a number of other suspected dischargers who have operated in the Rialto, Colton and Chino Subbasins. Thus, there may be opportunities to cooperate with other entities to implement joint investigations or to propose solutions that would address the water supply problem. In fact, we believe it would be both scientifically effective and economically efficient for the suspected dischargers subject to these directives to jointly pursue the investigation and to explore water supply replacement options. Further, consistent with the Board's direction, we

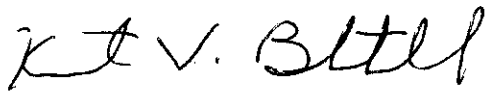
recommend that the joint efforts of the suspected dischargers consider both the characterization of the contamination and initiation of water supply replacement or treatment strategies. Board staff has experience in managing similar joint investigations and cooperative solutions. If you are interested in discussing such joint efforts, please contact us to arrange a meeting.

Recovery of Regional Board Expenses

California Water Code Section 13365 addresses the billing process for the Regional Board to recover reasonable expenses for overseeing investigation of illegal discharges, contaminated properties, and other unregulated releases that may adversely affect the State's waters. It is the Regional Board's intent to recover such costs for regulatory oversight work conducted in accordance with this order. A description of the Board's procedure for cost recovery for regulatory oversight of investigations and cleanups will be sent to you under separate cover.

If you have any questions about this letter, please contact Kamron Saremi at (909) 782-4303 or you may call Ann Sturdivant, Chief of our Spills, Leaks, Investigations and Cleanups Section, at (909) 782-4904.

Sincerely,



for Gerard J. Thibeault
Executive Officer

Enclosures:

1. Well Location Map, showing reported perchlorate contamination in municipal water supply wells and the Rialto-Colton and Chino groundwater basins.
2. Excerpts from Pacific Telephone Directory, Donnelley Yellow Pages, and Pacific Bell Directory.
3. Select Environmental Health Services Department, County of San Bernardino Underground Storage Tank and Hazardous Materials Handler permits.
4. Correspondence from San Bernardino County, Hazardous Materials Division files.
5. Corporate Records & Business Registrations, Golden State Explosives Inc., West, June 28, 2002.
6. Excerpt from Hazardous Chemical Reporting, SARA Title III, Explosives Technologies International of California, Inc., March 14, 1994.
7. Diagrams and listing for explosive storage bunkers in Rialto, California.
8. Mailing List.



cc (w/out enclosures):

Regional Board members

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Wayne Praskins, U.S. EPA, Region IX

Inland Empire Perchlorate Task Force members (mailing list attached)



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